Electronic Benefit Transfer (EBT) Project

California EBT Project Includes "Best Practices" to Serve Recipients

According to Consumers Union Report

Prepared: June 21, 2001

In August 2000, Consumers Union published a report entitled "*Electronic Benefit Transfer (EBT) Programs: Best Practices to Serve Recipients.*"[1] The stated purpose of the report is to allow program administrators to benefit from lessons learned in earlier EBT implementations across the nation. They noted that it is a "particularly opportune time to incorporate these practices into California's EBT system, since the contract has not yet been awarded…to implement the program in the state…" (page i).

This document compares the report's recommendations to the actual requirements for California's EBT system. Before developing requirements the California EBT Project staff spent a great deal of effort learning from other states and consulting with client advocates, including Consumers Union. In general, California's requirements meet the recommended best practices to serve recipients very well. In some cases, the best practice recommended is not a statewide requirement, but it is an option for county implementation. In other cases, the state has not had the opportunity to implement the best practice yet, but the best practices reflect the goals of the California Department of Social Services with respect to the EBT Project.

In summary, California meets 30 out of 38 Best Practices noted by Consumers' Union. One is not a statewide requirement, but is a county option. Two are not applicable to the California EBT Project.

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[1] "Electronic Benefit Transfer (EBT) Programs: Best Practices to Serve Recipients" A report to the West Coast Regional Office Consumers Union of the U.S., Inc., Richard and Rhoda Goldman School of Public Policy, University of California Berkeley. Joulia Dib, Anastasia Dodson, Celina Schocken, August 2000.

Comparison of Consumers Union "Best Practices" to the California EBT Project

Best Practice	CA Req. or Goal	Comments
Best Practices for Issuance of EBT Cards		
1. Issue cards in person at the local welfare office, unless the recipient asks for the card to be mailed.		Over the counter card issuance is provided for in the California requirements, but counties may also choose mail-based card issuance.
2. Allow recipients to pick their own personal identification numbers (PINs).	✎	Required. In-person and over the phone PIN selection methods are available.
3. Never mail "live" EBT cards that do not require telephone activation.		Lessons learned in other states shows that the risks posed by mailing "live" cards are minimal.
4. Set up phone lines so that recipients can easily report lost or stolen cards.	✎	24 hour a day, 7 day a week toll free telephone access to report and deactivate a lost or stolen card.
5. Offer a separate card for Authorized Representatives different from the card belonging to the recipient.	✎	ARs will have a separate card with a separate card number and PIN number.
Best Practices for Program Administration		
6. Run the EBT program as a social welfare program designed to build familiarity with the banking system, rather than solely as a benefit transfer program.		Counties administer welfare benefit programs in California. Counties may supplement the EBT system with direct deposit options and additional client training on financial management and banking services.
7. Build strong relationships and good communication between state administrators and local welfare offices, retailers, advocates, and recipients.	✎	The California EBT Project has worked diligently with a variety of stakeholder advisory groups, including local welfare offices, retailers, and advocates/recipients.
8. Establish close working relationships between state administrators and the EBT vendor.	✎	The State has required the vendor to have a significant on-going staff presence in California to facilitate a close working relationship.
Best Practices for Training and Program Implementation		
9. Promote EBT use and increase buy-in through public relations campaigns and community education, even before EBT program implementation.	✎	The State has plans for supplemental PR and education to facilitate smooth implementation. The Invitation to Partner (ITP) requires the contractor to provide training to local organizations that serve recipients to familiarize them with the change to EBT.

10. Offer community sensitive training in multiple languages and identify those who need additional customized training.	✍	Training will be available in 10 languages, more than any other state.
11. Allow recipients to practice on mock automated teller machine (ATM) and point of sale (POS) terminals.	✍	Hands-on training will be available to anyone that desires it.
12. Provide training opportunities on weekends and evenings, and on a walk-in basis.	✍	Evening and weekend hours are required, however some training will be on an appointment, rather than walk-in basis.
13. Send written information to recipients about EBT before program implementation.	✍	This will be a function of the county welfare department.
14. Establish formal and informal mechanisms for feedback from retailers, advocates, caseworkers and recipients.	✍	Ongoing advisory groups will be maintained, the project website will provide information to the public, and informal feedback is always welcome.
15. Monitor card non-use, especially during implementation and follow up with recipients who are not using their cards.	✍	Contractor is required to report on card non-use during implementation so the county can follow up and identify anyone having trouble accessing the new system.

Best Practices for telephone help line

16. Offer toll-free phone lines for EBT recipients.	✍	Toll-free phone line will be available 24 hours a day.
17. Set up the phone line so that recipients can get to a Customer Service Representative without entering the primary account number (PAN), to facilitate recipients reporting a lost or stolen card.	✍	Required.
18. Establish and enforce a busy signal and wait time policies with the vendor.	✍	Required by the ITP and the contract.
19. Contract with a language translation service so that all recipients can use the help line.		Ten languages will be accommodated through the Automated Response Unit and live customer service.
20. Set up a separate toll-free help lines for caseworkers and retailers with minimal waiting times.	✍	Retailers will use a separate toll-free number. A technical help desk is available for county and state staff.

Best Practices for EBT fees and systems

21. Work with banks and retailers to offer minimal or no fees to access cash benefits.	✍	The State is working on such a campaign
22. Work with banks to offer low-cost bank accounts for recipients.	**N/A**	Bank accounts are not a facet of EBT.
23. Offer and encourage voluntary direct deposit options.	✍	California law requires counties to offer direct deposit to welfare recipients if they offer it to their own employees.
24. Provide easy and free opportunities for recipients to check their account balances.	✍	Recipients can check their balance for free over the phone.

25. Allow recipients to use food stamps and cash benefits, or food stamps and currency in the same transaction.		This is not technically feasible at this time.
26. Encourage the use of manual vouchers when computer systems fail.	✍	Manual vouchers are a requirement of the system. Retailers are encouraged to use them.

Best Practices for access to ATM and POS Machines

27. Work with banks, ATM networks, and retailers to increase access to ATM and POS machines, especially low- and no-cost machines.	✍	The State is working on such a campaign
28. Equip all grocery lanes to accept EBT.		The State will pay for equipment in grocery lanes according to federal regulations. In some cases this may not cover all grocery lanes, but grocers can purchase commercial POS equipment to equip all lanes.
29. Clearly mark checkout lanes that accept EBT.	✍	Signage in each lane is required.
30. Provide ways that recipients can easily access their benefits when they travel.	✍	The EBT system will be "interoperable" with the rest of the country, meaning clients can easily use their benefits out of state.
31. Establish guidelines for the number of ATM and POS machines and their proximity to recipients and track this information.	✍	ITP requirements establish such guidelines and requirements for documentation.
32. Facilitate use of benefits at farmers' markets.	✍	The State is aggressively working on innovative solutions to the issue.
33. Allow recipients receiving small amounts of food stamps to save benefits without freezing or expunging the benefits.	✍	Food Stamp benefits will not be expunged until they have been on the EBT system without being accessed for nine months, allowing for some saving over time.

Best Practices for dealing with card problems

34. Write computer performance standards into vendor contracts.	✍	Strict performance standards are required for the EBT vendor's system.
35. Encourage the use of manual vouchers when computers fail.	✍	Manual vouchers are a requirement of the system. Retailers are encouraged to use them.
36. Establish guidelines governing access to recipients' electronic information.	✍	Recipients' information is subject to the confidentiality required by law.

Best Practices for EBT contracting

37. Write detailed contracts with vendors establishing specific policies in all areas.	✍	California has the most detailed contract ever seen in the EBT industry.
38. When switching vendors, make transitions as seamless as possible.	**N/A**	California is at the beginning of a seven-year contract. The State is not considering switching vendors at this time.